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STATE PLEASE PASS PEACE CORPS

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SUBJECT: RETURN OF THE PEACE CORPS TO TIMOR-LESTE

REF: A) RAMOS-HORTA - OLSEN LETTER 3/10/09

Summary

1. (SBU) President Ramos-Horta formally requested the Peace Corps to resume its program in Timor-Leste in a March 10 letter. Embassy Dili judges the security and stability conditions in Timor-Leste as safe and fully permitting the resumption of a Peace Corps Volunteer program. Much has changed to improve security conditions in Timor since the Peace Corps suspended its program in 2006. Politically, Timor-Leste successfully held three national elections in 2007, democratically installing a new president, national parliament and central government. During late-2007 and 2008, the new government acted to resolve both causes and consequences of the 2006 crisis, including settling the grievances of a large number of military mutineers, enhancing the coordination between the national police and military, resettling well over two thirds of the 100,000 persons left internally displaced by the events of 2006, dramatically reducing the level of crime, and as part of a UN mandated program, recertifying 85% of the national police. An International Stabilization Force (ISF) under UN auspices, initially invited into Timor-Leste to restore order in 2006, now remains primarily as a back-up to the country's national security forces, and does not perform day-to-day law enforcement or other public security operations.

2. (U) After the attempted assassination of President Ramos Horta and Prime Minister Gusmao on February 11, 2008, Timor's legal and political institutions functioned well, administering a short-lived state of emergency in full accordance with the country's constitution and laws, and peacefully compelling the surrender of the perpetrators. There has been no significant instance of political violence, unrest, communitarian fighting, terrorist threat or external danger since. All major public events during the past year have been remarkably peaceful. In light of the improved security situation, the U.S. State Department revoked its travel warning for Timor-Leste in September 2008, the ISF reduced its manpower by 15 percent to roughly 750 soldiers in January 2009, and the UN will begin a phased transfer of police authority to the Timorese national police beginning as early as March 2009. Now that the Government of Timor-Leste has formally invited the Peace Corps to reopen its volunteer program, Embassy Dili strongly encourages and will eagerly support an early return. End summary.

Timor -Leste Needs the Peace Corps

¶3. (U) Timor-Leste is Asia's poorest country, with half of its population living on less than a dollar a day, 85 percent of its labor force engaged in subsistence agriculture, illiteracy running at well over percent, and more than half the population stunted from malnutrition. Timor's poverty is correlated with enormous gaps in social infrastructure, distinguished by a poor national road network; inadequate telecommunications (less than one percent% of households has a landline telephone); a single, increasingly congested seaport; an electricity grid that supplies power to only a third of the country's households and then only for short segments of the day; a health services infrastructure barely able to cope with one of the world's highest rates of maternal and child mortality; an education system in which less than a fifth of schoolchildren has a chair or desk, and more than half without textbooks; poor water and sanitation facilities (two-thirds of adults fetch water at least once a week); and a single international airport that can handle planes no larger than a 737. Cognitive and organizational skills on average are very low, with close to 50 percent of the adult population in 2007 reporting zero educational attainment and only one percent of the work force engaged in industry.

¶4. (U) These gaps suggest several possible activities for Peace Corps Volunteers should the program resume in Timor-Leste. Given the nationwide lack of organizational, management and business development capabilities, and the particular shortage of these skills in rural areas, there is a great demand for

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developing business and entrepreneurial skills. Volunteers could train and advise potential Timorese entrepreneurs and managers in business planning, marketing, financial management and product design; they could advise agricultural cooperatives, agribusinesses and farmers; and volunteers could work with community and business support groups to encourage business development from simple retailing to handicraft production. There is also a widespread and growing demand for more English language instruction, and the need for increased science and math instruction is also profound (the languages of instruction for primary education in Timor-Leste is Portuguese or Tetum). Finally, the rapidly increasing population is putting great pressure on Timor-Leste's environment, and the country faces the highest rate of deforestation in Asia. Volunteers would find rich opportunities in raising environmental awareness among Timorese communities and organizing tree-planting or watershed management projects.

Social and Political Stability

¶5. (U) In 2006, the Peace Corps' Timor-Leste program was suspended as the result of a severe political and security crisis which led to an intervention by an international military and police force under UN auspices. Factors underlying the 2006 crisis included a highly contentious political elite; weak, politicized, poorly motivated or poorly directed security institutions; poor access to justice and a culture of impunity, especially among the elite; and the disillusionment and disempowerment that has accompanied Timor's failure to raise its people out of grinding poverty.

¶6. (U) Since 2006, the GOTL and the international community have

succeeded in restoring stability, and have made a good start in addressing the political and societal causes of the crisis. In 2007, the GOTL held Presidential and Parliamentary elections. It was a measure of success that episodes of political violence in August of that year were contained and did not re-ignite social and political divisions lingering from the previous year's implosion.

¶17. (U) The government of Prime Minister Xanana Gusmao, installed in August 2007, set out to tackle the primary consequences of the 2006 crisis, and to some extent its causes, and recorded significant success in 2008. It has closed most of the internally displaced persons camps that were stubbornly scattered across Dili until just months ago. During the course of 2008, the government reintegrated more than 70,000 persons displaced from their homes by the violence in 2006. Once long-time residents of wretched IDP camps, these families are now resettled in their original neighborhoods or villages. Only eight camps remain and the government is committed to their early closure.

¶18. (U) On February 11, 2008, the Government of Timor-Leste averted what could easily have escalated into another national crisis. Armed followers of Alfredo Reinado, a dissident former military officer who had been at large with a band of supporters since 2006, opened fire on the President and Prime Minister in separate incidents. The President was severely wounded, but the Prime Minister, uninjured, implemented the Constitution's provisions for national emergencies. The GOTL then established a joint command of the police and military to coordinate the search for, and surrender of, the attackers. (In 2006, these agencies had engaged in open warfare on each other in the streets of Dili. Routine and effective coordination among their leadership has continued.) With Reinado dead and his followers in custody since May 2008, a major source of instability has been eliminated.

¶19. (U) The government has also resolved remaining grievances held by the "petitioners," the soldiers that left the defense force in early 2006. This settlement and the August 2008 closure of the petitioners' Dili encampment eliminated another

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major destabilizing factor.

¶10. (U) The Gusmao government also has also taken first steps to reduce social tensions by improving living conditions. These included subsidizing food staples and introducing a pension system for veterans, the elderly and the infirm (a daunting logistical challenge in a rugged country without a postal system or banking network). The prime minister designated 2009 as the year of infrastructure and rural development as a means of signaling his government's intent to speed economic growth and tackle the scourges of poverty and unemployment.

¶11. (SBU) The International Stabilization Force (ISF) comprises military and police elements from Australia and New Zealand, and together with the UN Integrated Mission in Timor-Leste (UNMIT), has operated at the invitation of the GOTL under a UN Security Council mandate since the 2006 crisis. Following the February 11 events, the ISF increased its strength to about 1,100 men. In response to improved security conditions since then, it has scaled back its size to about 650 and further reductions are likely. The ISF does not currently carry out routine law

enforcement or public security operations, but rather serves as a deterrent to violence and as an "insurance policy" while Timor-Leste's own security forces remain fragile. In case of a recurrence of instability, the ISF will serve as the nucleus of a larger international force. Such a force would assume responsibility for evacuation of Australian and other, including U.S., nationals.

¶12. (SBU) UNMIT's UNSC mandate was renewed in February 2009. UNMIT and the ISF will likely remain in Timor-Leste for some years to come, most likely at reduced strength. The UN and Timor-Leste's closest international partners concluded that their precipitous and premature reduction in force in 2002-04 contributed to the 2006 crisis, and are therefore now committed to an extremely prudent approach to maintaining a security presence in Timor-Leste. Complete withdrawal of the ISF is unlikely until the country has experienced years of total stability.

¶13. (U) The UN Police Mission in Timor-Leste (UNPOL) assumed executive authority in 2006, but will hand this over to the National Police starting later in 2009. While the plan's timetable and benchmarks are still under preparation, stakeholders agree that this will be a gradual process premised on continued good security and improving capacity on the part of the National Police of Timor-Leste (PNTL). Although the PNTL is still a weak and poorly trained force, it has received training from bilateral donors including Portugal, New Zealand, and the U.S. The Australian Federal Police has opened a permanent training mission, the Timor-Leste Police Development Program, which will implement a major long-term capacity building program.

¶14. (U) Local confidence in the police is very high. According to a November 2008 poll national conducted by the U.S.-based International Republican Institute, 80 percent of Timorese rate the job being performed by their police as good (59 percent) or very good (21 percent). A survey conducted by The Asia Foundation in December 2008 yielded similar results, with 84 percent of Timorese reporting having "great confidence" in the PNTL, and 53 percent responding that the security situation has improved in the past year.

Crime and Personal Security

¶15. (U) Timor-Leste's crime levels are low by international standards. In 2008, the number of assaults per 100,000 people in Timor-Leste was 169, compared to the worldwide average of 250 and 795 in the U.S. and 796 in Australia. The murder rate in

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Timor-Leste in 2008 was 3.2 per 100,000 persons, down sharply from 8.3 in 2007, and compares favorably with America's 5.6 rate and 8.4 in neighboring Papua New Guinea. Arson incidents are also down sharply in 2008 compared to 2007. As in most countries, crime rates in the outlying districts of Timor-Leste, areas to be the likely hosts to future Peace Corps volunteers, are far lower than in the capital of Dili, and incidents tend to be confined to domestic (marital) and land disputes.

¶16. (U) Gang and martial arts group violence, widespread especially in Dili in the wake of the 2006 crisis, was brought under control by a new PNTL Dili Task Force created in December 2007, heightened UNPOL surveillance, and mediation efforts that led to a formal truce being signed in 2008 by two major martial arts groups.

¶17. (U) Foreigners are generally welcome in Timor-Leste and are rarely if ever singled out for crime. In the months following the 2006 crisis, there were incidents of the "wrong place at the wrong time" variety, such as cars stoned when foreign drivers found themselves between feuding gangs. These have stopped since the anti-gang crackdown of late 2007. Otherwise, post is aware of infrequent instances of petty theft, minor break-ins and purse snatchings. Violent crime against foreigners is practically unheard of. Even at the height of the 2006 disorder, there were no foreign fatalities in Timor-Leste.

A Significant Foreign National Presence

¶18. (U) The international presence in Timor-Leste numbers in the thousands, and comprises of representatives of the large UN mission and many international NGOs. The largest single expat communities are Australian and Portuguese, each numbering about 1,500. The Brazilian Embassy estimates that it has 300 nationals here, including Portuguese language teachers working in remote areas. Australia, South Korea and Japan have Peace Corps-type volunteer programs in Timor, with participants operating throughout the country. Australia has 55 volunteers serving in five government-run programs; there are dozens more working for NGOs. Cuban medical personnel, Portuguese teachers, and Brazilian missionaries are also found in significant numbers throughout the countryside.

Comment

¶19. (U) On March 10, 2009, President Ramos-Horta formally invited the resumption of a Peace Corps Volunteer program in Timor-Leste. Embassy Dili strongly supports a return of the Peace Corps to Timor-Leste and judges with a high level of confidence that the security conditions are now conducive to this. Embassy Dili invites the Peace Corps to send an assessment team to Timor-Leste to survey both the security situation and possible future activities for Volunteers as soon as possible. The need for Peace Corps assistance in Timor-Leste is enormous, and the Peace Corps retains a very deep reservoir of goodwill and respect from its precious work in Timor-Leste. Indeed, it is hard to imagine a better fit for the Peace Corps than Timor-Leste. End comment.

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